

SENATE BILL 850

C3, J1

11r2627
CF 11r2835

By: **Senator Middleton**

Introduced and read first time: February 14, 2011

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Public Health Plans – Education and Disclosure**
3 **Requirements**

4 FOR the purpose of requiring that, in the case of an applicant for a license as an
5 insurance producer for health insurance, a certain program of studies shall
6 include a course designed to familiarize the applicant with certain public health
7 plans available to residents of the State; requiring certain applicants to pass a
8 certain examination to determine the familiarity of the applicant with certain
9 public health plans; requiring certain insurance producers to receive continuing
10 education that directly relates to certain public health plans; requiring a
11 licensed insurance producer to provide to a certain small employer information
12 about certain public health plans on a certain form and at a certain time;
13 requiring a certain small employer, under certain circumstances, to agree to
14 provide information about certain public health plans on a certain form and to
15 certain employees; defining a certain term; and generally relating to education
16 and disclosure requirements relating to public health plans.

17 BY repealing and reenacting, without amendments,
18 Article – Insurance
19 Section 10–101(a), 10–105(e)(1), and 10–116(a)(1) and (4)(i)
20 Annotated Code of Maryland
21 (2003 Replacement Volume and 2010 Supplement)

22 BY adding to
23 Article – Insurance
24 Section 10–101(h–1), 10–105(e)(5), and 10–116(a)(4)(v)
25 Annotated Code of Maryland
26 (2003 Replacement Volume and 2010 Supplement)

27 BY repealing and reenacting, with amendments,
28 Article – Insurance

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 10–109(b)(1)
 2 Annotated Code of Maryland
 3 (2003 Replacement Volume and 2010 Supplement)

4 BY adding to
 5 Article – Insurance
 6 Section 15–1206(h)
 7 Annotated Code of Maryland
 8 (2006 Replacement Volume and 2010 Supplement)

9 BY repealing and reenacting, with amendments,
 10 Article – Insurance
 11 Section 15–1209(c)
 12 Annotated Code of Maryland
 13 (2006 Replacement Volume and 2010 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article – Insurance**

17 10–101.

18 (a) In this subtitle the following words have the meanings indicated.

19 **(H–1) “PUBLIC HEALTH PLAN” MEANS:**

20 **(1) THE MARYLAND MEDICAL ASSISTANCE PROGRAM;**

21 **(2) THE MARYLAND CHILDREN’S HEALTH INSURANCE PLAN;**

22 **AND**

23 **(3) ANY OTHER SIMILAR STATE PLAN OR PROGRAM SPECIFIED IN**
 24 **REGULATIONS ADOPTED BY THE COMMISSIONER, IN CONSULTATION WITH THE**
 25 **SECRETARY OF HEALTH AND MENTAL HYGIENE.**

26 10–105.

27 (e) (1) So that the applicant is reasonably familiar with the kind or
 28 subdivision of insurance for which the applicant wants to be licensed:

29 (i) the applicant must complete successfully a program of
 30 studies that has been established or approved by the Commissioner;

31 (ii) during the 3 years immediately preceding the date of
 32 application, the applicant must have been employed regularly for periods totaling at
 33 least 1 year:

1 1. by the Administration as an employee or by an
2 insurer or insurance producer; and

3 2. in responsible insurance duties in connection with the
4 kind or subdivision of insurance for which the applicant wants to be licensed; or

5 (iii) during the 3 years immediately preceding the date of
6 entering or immediately after discharge from the armed forces of the United States,
7 the applicant must have been employed regularly for periods totaling at least 1 year:

8 1. by an insurer or insurance producer; and

9 2. in connection with the kind or subdivision of
10 insurance for which the applicant wants to be licensed.

11 **(5) IN THE CASE OF AN APPLICANT FOR A LICENSE AS AN**
12 **INSURANCE PRODUCER FOR HEALTH INSURANCE, THE PROGRAM OF STUDIES**
13 **REQUIRED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION SHALL INCLUDE A**
14 **COURSE DESIGNED TO FAMILIARIZE THE APPLICANT WITH PUBLIC HEALTH**
15 **PLANS AVAILABLE TO RESIDENTS OF THE STATE.**

16 10-109.

17 (b) (1) Each individual applicant must pass a personal written
18 examination to determine:

19 (i) the competence of the applicant as to life insurance, health
20 insurance, or annuities or to any subdivision of them, including contracts for nonprofit
21 health service plans, vision plans, dental plan organizations, and health maintenance
22 organizations; [and]

23 (ii) the familiarity of the applicant with the applicable laws of
24 the State; AND

25 **(III) THE FAMILIARITY OF THE APPLICANT WITH PUBLIC**
26 **HEALTH PLANS AVAILABLE TO RESIDENTS OF THE STATE.**

27 10-116.

28 (a) (1) Subject to subsections (b) and (c) of this section, the Commissioner
29 shall require an insurance producer to receive continuing education as a condition of
30 renewing the license of the insurance producer.

31 (4) (i) To increase the level of education of insurance producers, an
32 insurance producer shall obtain continuing education in the kind or subdivision of
33 insurance for which the insurance producer has received a license.

1 **(V) EACH INSURANCE PRODUCER WHO POSSESSES A**
2 **LICENSE TO SELL HEALTH INSURANCE SHALL RECEIVE CONTINUING**
3 **EDUCATION THAT DIRECTLY RELATES TO PUBLIC HEALTH PLANS AVAILABLE TO**
4 **RESIDENTS OF THE STATE.**

5 15-1206.

6 **(H) (1) IN THIS SUBSECTION, "PUBLIC HEALTH PLAN" HAS THE**
7 **MEANING STATED IN § 10-101 OF THIS ARTICLE.**

8 **(2) A LICENSED INSURANCE PRODUCER SHALL PROVIDE TO A**
9 **SMALL EMPLOYER INFORMATION ABOUT PUBLIC HEALTH PLANS AVAILABLE TO**
10 **RESIDENTS OF THE STATE.**

11 **(3) THE INFORMATION SHALL BE PROVIDED:**

12 **(I) ON A FORM APPROVED BY THE COMMISSIONER; AND**

13 **(II) AT THE TIME THE SMALL EMPLOYER ENROLLS IN A**
14 **HEALTH BENEFIT PLAN SOLD TO THE SMALL EMPLOYER BY THE LICENSED**
15 **INSURANCE PRODUCER.**

16 15-1209.

17 (c) (1) Nothing in this subsection requires a small employer to contribute
18 to the premium payments for coverage of a dependent of an eligible employee.

19 (2) To be covered under a health benefit plan offered by a carrier, a
20 small employer shall:

21 (i) elect to be covered;

22 (ii) agree to pay the premiums;

23 (iii) agree to offer coverage to any dependent of an eligible
24 employee when coverage is sought by the eligible employee, in accordance with
25 provisions governing late enrollees and any other provisions of this subtitle that apply
26 to coverage;

27 (iv) agree to collect payments for premiums through payroll
28 deductions for coverage of eligible employees and dependents and transmit those
29 payments to the carrier; and

30 (v) satisfy other reasonable provisions of the health benefit plan
31 as approved by the Commissioner.

1 **(3) (I) IN THIS PARAGRAPH, “PUBLIC HEALTH PLAN” HAS THE**
2 **MEANING STATED IN § 10–101 OF THIS ARTICLE.**

3 **(II) IN ADDITION TO THE REQUIREMENTS UNDER**
4 **PARAGRAPH (2) OF THIS SUBSECTION, TO BE COVERED UNDER A HEALTH**
5 **BENEFIT PLAN OFFERED BY A CARRIER, A SMALL EMPLOYER SHALL AGREE TO**
6 **PROVIDE INFORMATION ABOUT PUBLIC HEALTH PLANS AVAILABLE TO**
7 **RESIDENTS OF THE STATE:**

8 **1. ON A FORM APPROVED BY THE COMMISSIONER;**
9 **AND**

10 **2. TO ELIGIBLE EMPLOYEES OF THE SMALL**
11 **EMPLOYER WHO ELECT NOT TO BE COVERED UNDER THE SMALL EMPLOYER’S**
12 **HEALTH BENEFIT PLAN AND HAVE NO OTHER HEALTH INSURANCE COVERAGE.**

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2011.